Optimism grows in October as current conditions improve

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WEST LAFAYETTE, Ind., Nov. 3, 2026 /PRNewswire/ -- Farmer sentiment improved in October as the Purdue University/CME Group Ag Economy Barometer rose from 123 points in September to 126. The survey reported a 16-point increase in the Index of Current Conditions. The increase coincided with the U.S. Department of Agriculture's distribution of Agriculture Risk Coverage Price Loss Coverage payments, although the survey did not specifically ask respondents about the effect of those payments. Although the Index of Future Expectations fell 2 points, with high input costs remaining the biggest concern, the Farm Financial Performance Index rose from 90 to 94, and the Farm Capital Investment Index jumped from 39 to 55. The survey was conducted among 400 farmers across the nation from Oct. 12-16.

Improvements in both the Farm Financial Performance Index and the Farm Capital Investment Index indicate that producers' financial expectations were modestly stronger in October. Although investment sentiment reached its strongest reading in nearly a year, most respondents noted they still hesitate to make large investments, with only 20% saying now is a good time to invest in machinery and buildings.

This month's survey included questions about farm resilience and the ability to withstand market shocks. Among respondents, 62% agreed or strongly agreed that their balance sheets are strong, and 60% agreed or strongly agreed in a related question about having a solid working capital position, suggesting many farms remain financially resilient. However, the January 2026 survey reported that 75% of respondents indicated they had a strong balance sheet. The drop from January to October hints at producers being less confident in their financial position this month than at the beginning of the year.

Though the surveyed producers remained optimistic about farmland values over the next five years, the Short-Term Farmland Value Expectations Index fell 1 point to 125, while the Long-Term Index dropped 6 points to 162. Alternative investments, interest rates and inflation were identified as the three factors having the greatest influence on farmland values.

Two questions highlighted growing producer concern about the long-run policy environment. Previous surveys found that between 49% and 70% of respondents believed that the increased use of tariffs in the U.S. would strengthen the agricultural economy in the long run. This month, only 35% held that view. In addition, fewer than half of respondents (48%) said the country is headed in the "right direction," marking the second consecutive month that this share remained below the average of 60% from July 2025 to June 2026.

"While producers saw some relief this month due to government program support, many remain uncertain about how future policy decisions could affect agriculture," said Michael Langemeier, the barometer's principal investigator and director of Purdue's Center for Commercial Agriculture. "Responses to our policy questions suggest that concerns about trade policy and the country's broader direction are shaping how producers view agriculture's long-term prospects."

About the Purdue University Center for Commercial Agriculture

The Center for Commercial Agriculture was founded in 2011 to provide professional development and educational programs for farmers. Housed within Purdue University's Department of Agricultural Economics, the center's faculty and staff develop and execute research and educational programs that address the different needs of managing in today's business environment.

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Image caption: Optimism grows in October as current conditions improve. (Purdue University/CME Group Ag Economy Barometer/Michael Langemeier)

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